

Free Tax Preparation Assistance Is a Valuable Community Resource

April 15th – “**Tax Day**” looms large in the minds of millions of Americans. Many seek professional assistance and pay – sometimes big dollars - for this advice. Many others don’t have the financial resources to seek this kind of help. Yet a mistake on a form for this latter group could have even bigger ramifications because so many in this group are living on the “financial edge.”

In 2010, **free tax preparation assistance** was available for people with no dependents earning \$20,000 or less; those with dependents qualified if they earned \$40,000 or less. Connect2Help (C2H) collected information on **36 sites in central Indiana** (including multiple sites in each of the 7 counties surrounding Marion) which provided this valuable community resource. In addition, C2H provided seniors with information about the **AARP tax site locator website**. From January 1 through April 15, 2010, C2H connected **2,735 people to tax preparation resources**.

Many who sought free tax preparation help were eligible for the **Earned Income Credit**. As the table below illustrates, the credit was substantial, especially for those who were living paycheck-to-paycheck. Part of the free tax preparation assistance included **budget counseling and suggestions on ways to maximize the refund from the credit**.

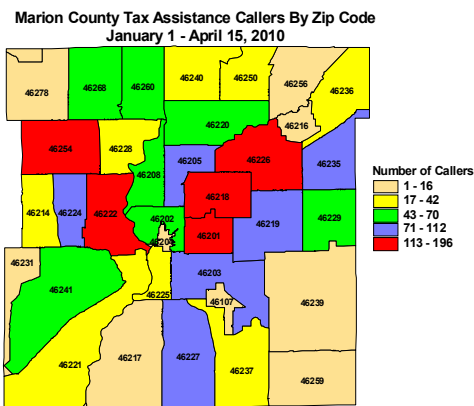
Earned Income Credit - Tax Year 2009		
Number of Children	Maximum Credit	Earned Income/AGI Less Than
0	\$457	\$13,440*
1	\$3,043	\$35,463*
2	\$5,028	\$40,295*
3 or more	\$5,657	\$43,279*

Taxpayers with investment income of more than \$3,100 were not eligible for this credit.

**These amounts were increased by \$5,000 for joint return filers.*

- The majority of callers (**75%***) lived in **Marion County**; 3% lived in the seven counties surrounding Marion; and 22% lived outside of central Indiana.
- Twenty-two percent* (**22%**) of the callers were in their **20's**; 20% were 60 and older; 19% were in their 30's; 18% were in their 40's; 18% were in their 50's; and 2% were under 20.
- At the time that they called, **53% were employed** (38% FT and 15% PT); 18% collected Social Security or a pension; 12% received some kind of public assistance; 8% had no income; 7% received unemployment compensation; and 2% had some “other” income.
- Fifty-three percent (**53%**) were **single, with no children**; 26% lived in single-parent family homes; 9% were couples, with no children; 7% lived in 2-parent families; and 5% were part of an extended or 2-family household.

** Percentages are based on available data.*



For assistance or more information about human services needs in Central Indiana, dial 2-1-1 or (317) 926-4357.